

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

S T A F F R E P O R T

SUBJECT: Resolution in Support of Allocation Request for FY 17-18 Funding through the State Low Carbon Transit Operations Program (LCTOP)

FROM: Jennifer Yeamans, Senior Grants & Management Specialist

DATE: June 1, 2020

Action Requested

Staff requests the Board of Directors approve Resolution 17-2020 in support of an allocation request to Caltrans for the Low Carbon Transit Operations Program (LCTOP) toward a Fare Free Rides promotion using previously allocated FY 17-18 funds. This resolution is required to request approval of this proposed project from Caltrans.

Background

The LCTOP was established by California Senate Bill 862 to provide funding, on a formula basis, for operational or capital expansion projects to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. The funds are derived from California’s Cap-and-Trade Program and are the result of quarterly auctions of emission credits for greenhouse gas emitters regulated under AB 32, California’s Global Warming Solutions Act of 2006. Auction proceeds, known as the Greenhouse Gas Reduction Fund, are then reinvested in various projects to further reduce emissions. There is a continuous appropriation of 5 percent of Cap and Trade auction proceeds into the LCTOP and other Cap and Trade programs. The program guidelines state that transit agencies receiving funds from the LCTOP shall submit expenditure proposals listing projects that meet any of the following criteria:

- Expenditures that directly enhance or expand transit service by supporting new or expanded services, expanded intermodal facilities, and include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities.
- Operational expenditures that increase transit mode share.
- Expenditures related to the purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure to operate and support zero-emission buses.

The LCTOP specifically requires documentation that each proposed project will achieve a reduction in greenhouse gas emissions and will not supplant other sources of funds. In addition, project sponsors are required to document how their projects meet all program requirements related to benefits to Disadvantaged Communities (DACs) and AB 1550 Population requirements to benefit low-income households. LAVTA’s service area has one low-income census tract as defined by AB 1550, shown in the map in Attachment 2.

Discussion

In March 2018, LAVTA initially applied to Caltrans for FY 17-18 LCTOP funds to support Year 1 of a two-year funding plan toward the future purchase of four zero-emission battery-electric buses and related support infrastructure to replace diesel-electric hybrids at the end of their useful life in FY 2022. LCTOP guidelines permit eligible recipients to roll funds over into a subsequent fiscal year, accruing a maximum of four years of LCTOP funds for more substantial projects. Approved projects must also be completed and funds expended within the subsequent four years. In order to provide sufficient time and planning complete the agency's state-required Zero Emission Bus Transition Plan, LAVTA staff now intend to initiate this purchase in FY 2023. In order to ensure older LCTOP funds do not lapse, in May 2020, the Board of Directors approved applying the agency's FY 18-19 and FY 19-20 LCTOP funding to the future zero-emission battery-electric bus purchase, making the FY 17-18 allocation available for reprogramming to an approved project.

LAVTA staff has since been working with Caltrans to modify the FY17-18 LCTOP allocation previously approved for this project, and create a new project eligible for use of the \$316,274 in FY17-18 LCTOP funds. Prior to the COVID-19 public-health emergency, staff had previously planned to implement a Fare Free Summer Rides promotion using the funds. Free or discounted transit fares are an eligible use of LCTOP funds as a means to promote increases in transit mode share. Given the circumstances of the COVID-19 situation, LAVTA staff will work to pursue the best strategies to promote ridership with fare-free trips during the project period, consistent with LCTOP guidelines, as the situation develops. A March letter regarding previous discussions of LAVTA's fare-free proposals from the Tri-Valley Accessible Advisory Committee (TAAC) is provided as [Attachment 3](#).

Budget

The proposed project budget and schedule is as follows. LAVTA received the FY 17-18 funds from the state in July 2018 and they have been accruing interest since then as shown.

Fund Source	Amount
FY 17-18 LCTOP – Revenue-Based	\$51,389
FY 17-18 LCTOP – Population Based	\$264,885
<i>LCTOP Allocation Subtotal</i>	<i>\$316,274</i>
LCTOP Interest	\$12,390
Total Budget	\$328,664

Recommendation

Staff recommends the Board of Directors approve Resolution 17-2020 in support of an LCTOP allocation request to Caltrans for the Fare Free Rides program. This resolution is required to request allocations for this funding from Caltrans.

Attachments:

1. Resolution 17-2020
2. Map of AB 1550 Low Income Community of North Livermore
3. March 13 Letter from TAAC

Approved: _____